

## Tools for LARGE Businesses

### Level 3 Question 3: Are we ready to go Public?

<b>Title</b>	IPO Readiness checklist
<b>Why</b>	<p>There are many situations when companies start to evaluate an IPO as one of their strategic options. Funding or exit motivations, growth, internationalization and changes in the respective industry are triggers for strategic considerations around an IPO.</p> <p>Depending on the stakeholder, a mix of situations and motivations can lead to initial IPO considerations.</p>
<b>What</b>	<p>An IPO is the first sale of a company's shares to the public and the listing of shares on a stock exchange.</p> <p>It allows a company to raise capital in order to build its business by creating newly issued shares and selling existing shares.</p>
<b>How</b>	<ol style="list-style-type: none"><li>1. Strategic considerations and IPO planning 12–24 months prior to IPO<ol style="list-style-type: none"><li>a. Evaluate strategic options and perform a health check, ideally an IPO readiness assessment and diagnostic.</li><li>b. Decide on the preferred option, a Plan B and set up resources and your IPO project management office.</li><li>c. Prepare group systems, new functions and tax optimization at the company and shareholder levels.</li><li>d. Start to build capital market infrastructures and/or make structural adjustments to achieve IPO readiness</li></ol></li><li>2. IPO preparation - 6–12 months prior to IPO<ol style="list-style-type: none"><li>a. Fine-tune the business plan and IPO fact book, and prepare presentation materials for banks, analysts and investors.</li><li>b. Build the right external IP team (bankers, lawyers, auditors, investor relations and other advisors).</li><li>c. Set the target IPO timetable, start due diligence, and prepare the offering concept.</li><li>d. Fine-tune the equity story and valuation framework based on initial feedback from investors.</li><li>e.</li></ol></li><li>3. IPO transaction - 1–6 months prior to IPO<ol style="list-style-type: none"><li>a. Prepare financial information and other important content for the first draft of the offering prospectus.</li><li>b. Manage the filing process, finalize prospectus and seek approvals from the regulator and the stock exchange.</li><li>c. Launch the investor road show, to attract the right investors in main pools of capital with the right market timing.</li></ol></li></ol>

	<ul style="list-style-type: none"> <li>d. Build the IPO order book, determine the issue price and allocate orders to investors.</li> <li>e.</li> </ul> <p>4. Being public - Post-IPO</p> <ul style="list-style-type: none"> <li>a. Deliver on your promises as a public company that attracts more media attention.</li> <li>b. Mobilize investor relations, road shows and investor marketing based on the IR calendar.</li> <li>c. Manage investor expectations with efficient forecasting and the right use of IPO proceeds.</li> <li>d. Deliver high-quality external reporting and disclosures, and good corporate governance.</li> </ul>
<b>Template</b>	